



June 9, 1989

Istel Rail Corporation

55 Francisco Street
 San Francisco, California 94133
 (415) 984-4000
 (415) 781-1035 Fax

RECORDATION NO.

FILED 1425

JUN 15 1989 - 12 50 PM

INTERSTATE COMMERCE COMMISSION

Hon. Noreta R. McGee
 Secretary
 Interstate Commerce Commission
 Washington, DC 20423

Re: Schedule No. 6 to Master Lease No. 2197-00 dated May 5, 1988, between Istel Rail Corporation and Hartford and Slocomb Railroad Company

Dear Ms. McGee:

On behalf of Istel Rail Corporation, the above instrument, in three (3) counterparts, is hereby submitted for filing and recording pursuant to 49 U.S.C. Section 11303(a), along with the \$13 recordation fee.

Please record this Schedule No. 6 under Master Lease No. 2197-00 dated May 5, 1988, between Istel Rail Corporation, Istel Railcar Corporation and Hartford and Slocomb Railroad Company, which was filed with the ICC on May 13, 1988, under Recordation No. 15642.

The parties to the aforementioned instrument are listed below:

Istel Railcar Corporation (Lessor)
 55 Francisco Street
 San Francisco, California 94133

Hartford and Slocomb Railroad Company (Lessee)
 P.O. Box 2243
 Dothan, Alabama 36302

This Schedule No. 6 adds to the Lease Agreement one hundred thirty-six (136) 89'4", 70-ton, flatcars bearing reporting marks HS 902050-902660 (n.s.).

Please return to the undersigned the stamped counterparts not required for filing purposes, together with the ICC fee receipt and acknowledgment letter.

Very truly yours,

Patricia Schumacker
 Legal Department

MOTOR OPERATING UNIT

JUN 15 1 26 PM '89

REC'D. IN APAY

JUN 09 1989

Returned For Approval _____ To _____
 Returned For Coding _____ To _____

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SCHEDULE NO. 6

INTERSTATE COMMERCE COMMISSION

THIS SCHEDULE NO. 6 ("Schedule") to that certain Lease Agreement (the "Agreement") made as of May 5, 1988 between ITEL RAIL CORPORATION and ITEL RAILCAR CORPORATION, severally, as lessors, and HARTFORD AND SLOCOMB RAILROAD COMPANY as lessee ("Lessee"), is made this 2nd day of June, 1989, between ITEL RAIL CORPORATION ("Lessor") and Lessee.

Lessor and Lessee agree as follows:

1. All capitalized terms defined in the Agreement shall have the meanings defined therein when used in this Schedule No. 6, except that the term "Cars" as used herein shall only refer to the equipment described in this Schedule unless otherwise indicated.
2. Lessor hereby leases the following Cars to Lessee subject to the terms and conditions of the Agreement and this Schedule:

AAR Mech Desig.	Description	Numbers	Dimensions Inside		No. of Cars
			Length	Width	
FC	TOFC/COFC Flatcar, 70-ton, Dual 45	HS 902050- 902660 (n.s., as shown on Exhibit A)	89'4"	N/A	136

3. A. The term of the Agreement with respect to each Car described in this Schedule shall commence at 12 noon on the date such Car is remarked ("Delivery") and shall continue as to all of the Cars described in this Schedule for one (1) year from the earlier of (i) the date on which the last Car described in this Schedule was remarked or (ii) sixty (60) days from the date the first Car described in this Schedule was delivered to Lessee's lines (the "Initial Term"). Upon the delivery of the final Car, Lessor shall provide Lessee with a Certificate of Delivery, in the form of Exhibit A attached hereto, including the Delivery date for each Car and the expiration date of the Agreement with respect to the Cars described in this Schedule. Unless Lessee, within fifteen (15) days of such notice, demonstrates to the satisfaction of Lessor that such date is incorrect, then Lessee shall be deemed to have concurred to such date.
- B. If the Agreement has not been terminated early and no unremedied default has occurred and is continuing under the Agreement, the Agreement shall automatically be extended for two (2) consecutive periods of twelve (12) months each (each such period an "Extended Term") with respect to all of the Cars described in this Schedule, provided that Lessor or Lessee may terminate the Agreement at anytime during the Initial Term or any Extended Term as to some or all of the Cars described in this Schedule by providing not less than ten (10) days' prior written notice to the other.

4. When a Car has been remarked, it shall be moved to Lessee's railroad line at no initial cost to Lessee at the earliest time that is consistent with the mutual convenience and economy of the parties. Lessee agrees to pay the rent set forth in the Agreement notwithstanding the fact that Lessee may not have immediate physical possession of the Cars leased hereunder. In order to move the Cars to Lessee's railroad line and to ensure optimal use of the Cars, Lessor agrees to assist Lessee in monitoring Car movements and, when deemed necessary by Lessee and Lessor, to assist in the issuance of movement orders to facilitate the movement of the Cars to other railroad lines in accordance with the Interstate Commerce Commission ("ICC") and the Interchange Rules.
5. Lessor shall perform or cause to be performed and shall pay all costs and expenses associated with the maintenance of the Cars described in this Schedule, except as set forth in Section 5 of the Agreement. With respect to the Cars listed in this Schedule, Exhibit B attached hereto is hereby added to the Agreement or substituted for Exhibit B thereto. Subsection 5.A. of the Agreement shall not apply with respect to such Cars.
6. Lessor agrees to reimburse Lessee, within thirty (30) days of Lessor's receipt of the receipted copy of the paid tax bill, for all taxes actually paid in cash by Lessee resulting from: 1) ad valorem tax assessments on the Cars; and 2) any assessment, levy or impost relating to any Car, the Agreement, or the delivery of the Cars, which remained unpaid as of the date of the delivery of the Cars to Lessee or which is assessed, levied or imposed during the term of the Agreement, except taxes on income or gross receipts imposed on Lessee or sales or use tax imposed on mileage charges, car hire revenue, or the proceeds of the sale or lease of the Cars. Lessor and Lessee will comply with all state and local laws requiring filing of ad valorem returns associated with the Cars. Notwithstanding any portion of this Section, Lessor shall not be responsible for penalty or interest assessments resulting from Lessee's failure to comply with any regulation or statute of any taxing or assessing authority. Lessee shall forward to Lessor upon receipt all correspondence, notifications of proposed tax assessments and tax bills associated with any tax reimbursable by Lessor. Lessor may, in good faith and by appropriate proceedings, contest any assessment, notification of assessment or tax bill. Lessor shall assume full responsibility for all expenses, including legal fees, resulting from such contest.

7. Rent

A. Definitions

- (i) "Eligible Lines" is defined as the railroad lines owned and operated by Lessee as of the date this Schedule is executed by the parties. Any lines purchased by Lessee or added to the Eligible Lines or any Eligible Lines sold by Lessee to another party during the Initial Term or any Extended Term, effective on the date of such sale, are deemed to be the lines of another railroad company (a foreign road) for the purposes of determining Revenues (as defined in Subsection 7.A.(iii) hereinbelow).

- (ii) "Revenue Rates" is defined as the hourly and mileage car hire rates specified for each Car in the Hourly and Mileage Car Hire Rate Table published in the January 1989 edition of The Official Railway Equipment Register, as may be updated from time to time.
 - (iii) "Revenues" is defined as the total revenues, calculated at the Revenue Rates, that are earned or due for the use and handling of the Cars on all railroad lines other than the Eligible Lines, including, but not limited to, per diem and mileage, whether or not collected and received by Lessor, and undiminished by any claimed abatement, reduction or offset caused by any action or failure of Lessee.
 - (iv) The "Base Rent" is defined as the Revenues which the Cars would have earned in the aggregate if the Cars had been on railroad lines other than Eligible Lines for
of the hours that such Cars were subject to
the Agreement during such calendar quarter, with each Car travelling miles per day.
 - (v) "Initial Loading" of a Car shall be the earlier to occur of either: 1) the date such Car shall have been loaded off Lessee's railroad line with the first load of freight; or 2) the thirty-first (31st) day after such Car is first received on Lessee's lines.
- B. Lessor shall receive all Revenues earned by each Car prior to its Initial Loading. Each Car delivered pursuant to Subsection 3.A. of the Agreement shall become subject to the rental calculation under Subsection 7.C. hereinbelow upon the Initial Loading of such Car; provided, however, that Lessor shall retain and be entitled to all Revenues earned by such Car after such Initial Loading, including any Revenues due Lessee pursuant to Subsection 7.C.(ii) ("Lessee's Revenue Share"), until the total amount of Lessee's Revenue Share retained by Lessor shall have become equal to Lessor's expenses for remarking and delivering such Car to Lessee ("Delivery Expense").
- C. Lessee agrees to pay rent to Lessor for the Cars calculated as follows:
- (i) In the event Revenues earned in any calendar quarter or applicable portion thereof are equal to or less than the Base Rent, Lessor shall retain a sum equal to one hundred percent (100%) of the total Revenues.
 - (ii) In the event Revenues earned in any calendar quarter or applicable portion thereof exceed the Base Rent, Lessor shall retain an amount equal to the Base Rent plus
of all Revenues in excess of the Base Rent
and Lessee, subject to Subsection 8.B., shall receive
of all Revenues received in excess of
the Base Rent.

- D. (i) In the event that as a result of any action or inaction by Lessee, Lessor shall receive or earn for the use of any Cars, Revenues calculated at hourly or mileage car hire rates that are lower in amount than those specified in Subsection 7.A. (ii), Lessee shall pay to Lessor, within ten (10) days of Lessor's request, an amount equal to the difference between the Revenues such Cars would have earned at the Revenue Rates and the amount of revenues actually received or earned for such Cars.
- (ii) Should any abatement, reduction or offset occur as a result of any action or inaction of Lessee, Lessee shall, within ten (10) days of Lessor's request, reimburse Lessor the amount of such abatement, reduction or offset.
- (iii) If, at any time during the Agreement, Lessee operates lines other than the Eligible Lines, Lessee shall supply Lessor with records which distinguish the movement of each Car on the Eligible Lines from the movement of such Car on any other lines operated by Lessee.
- E. Any agreement between Lessee and any other party with respect to the Cars ("Third Party Agreement(s)") shall be null and void without Lessor's prior written approval if such Third Party Agreement affects the revenues earned by the Cars.
- F. The calculations required in Section 7 shall be made within five (5) months of the end of each calendar year ("Final Calculations"). Lessor shall, prior to making such Final Calculations, retain the Revenues and other payments received by it on behalf of Lessee. Further, since the parties desire to determine on a quarterly year-to-date basis the approximate amounts owed under this Section 7, Lessor shall within three (3) months after the end of each calendar quarter, calculate on a quarterly year-to-date basis the amounts due both parties pursuant to this Section. Any amounts payable pursuant to the preceding sentence shall be paid promptly following such calculation, provided, however, that within twenty (20) days following the Final Calculations, any amount paid to either party in excess of the amounts required shall be refunded to the appropriate party.
8. Except as expressly modified by this or any other Schedule, all terms and provisions of the Agreement shall remain in full force and effect with respect to all Cars subject to the Agreement.

9. This Schedule may be executed by the parties hereto in any number of counterparts, and all counterparts taken together shall be deemed to constitute one instrument.

ITEL RAIL CORPORATION

By: *[Signature]*
Title: *President and CEO*
Date: *6/2/89*

HARTFORD AND SLOCOMB RAILROAD COMPANY

By: *[Signature]*
Title: *President*
Date: *5-31-89*

CERTIFICATE OF DELIVERY DATE

Exhibit A to Schedule No. 6 Dated as of _____ by and between ITEL RAIL CORPORATION ("Lessor") and HARTFORD AND SLOCOMB RAILROAD COMPANY ("Lessee"), to Lease Agreement dated as of May 5, 1988, by and between Lessor and Itel Railcar Corporation, severally, as lessors, and Lessee.

Car Reporting Marks and No.	Date Delivered	Car Reporting Marks and No.	Date Delivered	Car Reporting Marks and No.	Date Delivered
HS 902050		HS 902260		HS 902526	
HS 902051		HS 902261		HS 902528	
HS 902052		HS 902263		HS 902529	
HS 902056		HS 902264		HS 902532	
HS 902057		HS 902265		HS 902534	
HS 902058		HS 902266		HS 902535	
HS 902060		HS 902267		HS 902536	
HS 902061		HS 902268		HS 902538	
HS 902063		HS 902269			
HS 902064				HS 902542	
		HS 902271		HS 902543	
HS 902066		HS 902272		HS 902544	
HS 902067		HS 902274		HS 902594	
HS 902068		HS 902275		HS 902595	
HS 902073		HS 902276		HS 902597	
HS 902074		HS 902278		HS 902598	
HS 902075		HS 902281		HS 902599	
HS 902076		HS 902282		HS 902600	
HS 902077		HS 902284		HS 902602	
HS 902080		HS 902285			
HS 902082				HS 902605	
		HS 902286		HS 902606	
HS 902083		HS 902287		HS 902607	
HS 902084		HS 902288		HS 902608	
HS 902085		HS 902289		HS 902609	
HS 902088		HS 902292		HS 902610	
HS 902089		HS 902293		HS 902612	
HS 902090		HS 902505		HS 902613	
HS 902091		HS 902506		HS 902614	
HS 902092		HS 902507		HS 902616	
HS 902095		HS 902509			
HS 902098				HS 902618	
		HS 902510		HS 902619	
HS 902099		HS 902511		HS 902620	
HS 902246		HS 902512		HS 902621	
HS 902248		HS 902513		HS 902622	
HS 902249		HS 902514		HS 902626	
HS 902251		HS 902516		HS 902627	
HS 902253		HS 902518		HS 902628	
HS 902254		HS 902519		HS 902629	
HS 902255		HS 902522		HS 902631	
HS 902256		HS 902523		(continued)	
HS 902258					
		HS 902524			
HS 902259		HS 902525			

page 2 to Exhibit A to Schedule No. 6 Dated as of _____ by and between ITEL RAIL CORPORATION ("Lessor") and HARTFORD AND SLOCOMB RAILROAD COMPANY ("Lessee"), to Lease Agreement dated as of May 5, 1988, by and between Lessor and Itel Railcar Corporation, severally, as lessors, and Lessee.

Car Reporting	Date	Car Reporting	Date
Marks and No.	Delivered	Marks and No.	Delivered

HS 902632		HS 902652	
HS 902633		HS 902654	
HS 902635		HS 902657	
HS 902640		HS 902658	
HS 902645		HS 902659	
HS 902646		HS 902660	
HS 902647		TOTAL: 136 FCs	
HS 902648			
HS 902649			
HS 902650			

The last day of the Initial Term for the above referenced Cars shall be _____.

ITEL RAIL CORPORATION

By: _____

Title: _____

Date: _____

EXHIBIT B

Running Repairs: TOFC/COFC Flatcars

Angle Cocks	Wheels
Air Hose	Yokes
Train Line	Knuckles/Pins
Operating Levers and Brackets	Slack Adjuster
Sill Steps	Pedestal Locks
Grab Irons	Couplers
Brake Shoes	Draft Gears
Brake Shoe Keys	Coupler Carriers
Brake Connecting Pin	Center Plate Repair (Not Replacement of Center Plate)
Brake Head Wear Plates	Lube of Hitches
Air Brakes	Cotter Keys
Hand Brakes	Roller Bearing Adapters
Brake Beams and Levers	Air Hose Supports
Truck Springs	

STATE OF CALIFORNIA)
) ss:
COUNTY OF SAN FRANCISCO)

On this 2nd day of June, 1989, before me personally appeared Desmond P. Hayes, to me personally known, who being by me duly sworn says that such person is President and Chief Executive Officer of Itel Rail Corporation, that the foregoing Schedule No. 6 was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Sharon L. Van Fossan
Notary Public



STATE OF Alabama)
) ss:
COUNTY OF Houston)

On this 31 day of May, 1989, before me personally appeared C. J. Fischer III, to me personally known, who being by me duly sworn says that such person is President of Hartford and Slocomb Railroad Company that the foregoing Schedule No. 6 was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Joan Thompson
Notary Public